

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS (HOUSTON)

IN RE: . Case No. 22-90273
MINING PROJECT WIND DOWN . Chapter 11
HOLDINGS INC. (F/K/A COMPUTE .
NORTH HOLDINGS, INC.), .
et al., .
Debtor. . 515 Rusk Street
Houston, TX 77002
Tuesday, January 17, 2023
11:30 a.m.

TRANSCRIPT OF MOTION FOR RELIEF FROM STAY TO CONTINUE
LITIGATION AGAINST CERTAIN DEBTORS. FEE AMOUNT \$188 [342];
EMERGENCY MOTION DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN
ORDER AUTHORIZING (I) CHANGE OF CORPORATE NAMES AND
(II) CHANGE OF CASE CAPTION [784]
OBJECTION TO CLAIM NUMBER BY CLAIMANT ROHIT SHIROLE, ROHIT
SHIROLE. (CLAIM NO. 10055) [816]
BEFORE THE HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtor: Paul Hastings LLP
By: JAMES T. GROGAN, III, ESQ.
SCHLEA THOMAS, ESQ.
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TELEPHONIC APPEARANCES CONTINUED.

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TELEPHONIC APPEARANCES (Continued):

For the Official
Committee of Unsecured
Creditors::

McDermott, Will & Emery
By: KRISTIN K. GOING, ESQ.
One Vanderbilt Avenue
New York, NY 10017-3852
(212) 547-5429

For Rohit Shirole:

Bassford Remele
By: JEFFREY D. KLOBUCAR, ESQ.
Fifth Street Towers
100 South 5th Street, Suite 1500
Minneapolis, MN 66502-1254
(612) 376-1639

Also Present:

RYAN MERSCH
Portage Point Partners, LLC



1 (Proceedings commence at 11:30 a.m.)

2 THE COURT: All right. We just have one case in this
3 morning's 11:30 docket. It is Compute North Holdings, Inc.
4 The case number is 22-90273. Appearances have been made
5 electronically. If you haven't yet made your electronic
6 appearance, please fill out the form when the hearing is over.
7 Anyone that wishes to speak at today's hearing, you can either
8 come forward if you're in court, or if you wish to speak on the
9 phone, please press five star.

10 Mr. Grogan, good morning.

11 MR. GROGAN: Yeah, good morning, Your Honor. James
12 Grogan from Paul Hastings on behalf of the debtors. With me
13 here today is my colleague, Schlea Thomas. Your Honor, the
14 first matter on is actually a motion filed by Rohit Shirole.
15 That'll be first on the docket, and then after that, Ms. Thomas
16 will present our emergency motion for change of corporate
17 names.

18 THE COURT: Thank you. Let me find Mr. Klobucar on
19 here. Mr. Klobucar, is that you at 212-547-5429, or is that
20 someone else?

21 MS. GOING: That's Kristin Going, Your Honor.

22 THE COURT: Ms. Going, good morning.

23 MS. GOING: Good morning.

24 THE COURT: Mr. Klobucar, can I get you to press
25 five, star one time on your phone, please? Well, hold on a



1 minute. I'll find you. It's not -- there we go. Mr. -- is it
2 Klobucar? Is that the right way to pronounce it, sir?

3 MR. KLOBUCAR: That is correct, Your Honor. Can you
4 hear me? I'm using my headphones and I hope I'm audible.

5 THE COURT: You're audible and clear, Mr. Klobucar.
6 Good morning.

7 MR. KLOBUCAR: Wonderful. Thank you. Good morning,
8 Your Honor.

9 THE COURT: Good morning.

10 MR. KLOBUCAR: I'd like to note for the Court record
11 that my client, Mr. Shirole, is appearing here on the phone as
12 well just to listen in, as is my local counsel, Mike
13 Sutherland, from the Carrington Coleman firm in Dallas.

14 THE COURT: Thank you.

15 MR. SUTHERLAND: Good morning, Your Honor.

16 THE COURT: Good morning.

17 So, Mr. Klobucar, go ahead.

18 MR. KLOBUCAR: Thank you, Your Honor. As Mr. Grogan
19 noted, we're here this morning on the motion by Mr. Shirole for
20 relief from stay to continue his Minnesota State Court
21 litigation action in order to fully liquidate his claim. I'll
22 give the Court a short background.

23 Mr. Shirole was a former officer and shareholder of
24 the debtors and was subject of a number of employment related
25 and other agreements with the debtors, including a commission



1 plan and a restricted stock agreement that are relevant to what
2 we're talking about here today.

3 At a minimum, as part of the commission agreement, my
4 client sold more than a billion dollars' worth of colocation
5 services and equipment for the debtors and earned substantial
6 commissions, before he was terminated by the debtors, by our
7 latest calculations of more than \$11 million, which has been
8 withheld from him.

9 Rather than pay him, the debtors instead terminated
10 him purportedly for cause. Mr. Shirole disputed that there was
11 any cause and has made demands under Minnesota law in a
12 Minnesota lawsuit for unpaid commission, which has yet to be
13 paid. And notably, Your Honor, under Minnesota law, that
14 results in additional double damages that are automatic and
15 statutory, which brings his aspect of his claim to more than 20
16 million right off the bat.

17 Further, the debtor elected to and did, in fact,
18 repurchase his stock in the company, all but one share,
19 approximately four months after he was terminated and took
20 possession of those shares, but they never remitted him the
21 value of those shares, which are worth approximately
22 \$14 million by my client's estimation.

23 And most importantly, Your Honor, Mr. Shirole has
24 alleged that the basis for this unfair and unlawful treatment
25 and wrongful termination, as well as any of the other items in



1 that complaint is racial animus. So these are very serious
2 claims being raised by Mr. Shirole here in this case.

3 I do want to quickly clarify that Mr. Shirole is not
4 seeking to collect outside of the bankruptcy estate here,
5 except to the extent that there should be coverage applicable
6 to these claims. He just seeks to continue his Minnesota
7 action to liquidate those claims against the debtors in front
8 of a Minnesota jury and otherwise proceed in his litigation.
9 So the debtors and the committee have obviously objected to the
10 motion on grounds that Mr. Shirole has failed to establish
11 cause.

12 Obviously, the Court's aware there's no definition of
13 cause and that's to be determined on a case-by-case basis. The
14 fifth circuit hasn't adopted the Sonnax factors that are used
15 by the debtors and the committee, and used numerous methods to
16 determine cause, whether it's the Curtis factors on which we
17 relied, or the Johnson factors, or the Sonnax factors I think
18 is largely irrelevant because the Court can find whatever
19 factors it wants to support finding of cause here.

20 But for purposes of my response, Your Honor, I'll
21 address the Sonnax factors referenced by the debtors and the
22 committee, and I'll go on numerical order just to make it more
23 organized.

24 THE COURT: Let me -- before we get into --

25 MR. KLOBUCAR: I -- go ahead.



1 THE COURT: I'm pretty familiar with the factors, of
2 course. Tell me, as to the uninsured portion, because I didn't
3 understand what part of this might be insured in any event. As
4 to the uninsured portion, what's the distribution rate out of
5 the case? Because I thought it was a fairly low distribution
6 rate.

7 MR. KLOBUCAR: Your Honor, I think you're right.
8 First of all, I think it's very uncertain as to whether or not
9 there is insurance coverage or not. I requested in numerous
10 occasions from the debtor copies of policies, reservation of
11 rights letters, and information related to whether or not there
12 is anyone defending these claims on behalf of any insurer, and
13 I've thus far been stonewalled by the debtors. I'm hoping that
14 that information will be provided, but I haven't yet received
15 it.

16 I would note that the committee, in its objection to
17 my motion, also indicates it has no idea whether there's
18 coverage, but I think, if I recall correctly from the
19 liquidation analysis and the disclosure statements, the
20 proposed distribution to unsecureds is between 4 and 30
21 percent, so there's quite a range here. But with client's
22 claim numbers, that's still a substantial recovery depending on
23 what the insurance would cover, if there is any at all.

24 THE COURT: So it seems to be generally the type of
25 claim that wouldn't be insured, but I don't want you to proceed



1 in the dark here. What insurance policies do you want in order
2 to know what you've got?

3 MR. KLOBUCAR: Your Honor, I've actually requested a
4 number of them. I don't have the list with me, but I have sent
5 and had email communications with Mr. Grogan, as well as
6 Ms. Going in that respect, and I believe I've articulated
7 exactly which policies and other letters I'd like to see. I
8 can certainly put that on the record for the Court, but I'd
9 have to go find it.

10 THE COURT: Well, let me ask you, if it's Ms. Going,
11 has he requested insurance policies, and have they been
12 provided?

13 MS. GOING: Your Honor, we are not in possession of
14 any insurance policies. He did -- Mr. Klobucar asked the
15 committee if the committee was aware of any insurance, and we
16 told him, excuse me, that we were aware of and had seen D&O
17 policies, but --

18 THE COURT: If he requested policies, have you given
19 him a written response that either says, here are the policies,
20 or, the policies that you requested don't exist? I mean,
21 you've got to -- I don't care whether you're in possession of
22 them or not. Somebody's in possession of them. So they either
23 exist or they don't exist. Have he -- has he gotten a written
24 response about that?

25 MR. KLOBUCAR: Your Honor, this is Mr. Klobucar. If



1 I might quickly interject. I did request them from the
2 debtors. Ms. Going, for the committee, did inform me that she
3 wasn't in possession of them, but I have made that request to
4 the debtor.

5 THE COURT: I'm sorry. I'm sorry. Then who from the
6 debtor would know? There we go. I was thinking you were here
7 for the debtor, Ms. Goings (sic). I apologize.

8 MR. GROGAN: No worries, Your Honor. James Grogan
9 for the debtor.

10 Your Honor, I believe we have provided the one that
11 we thought could possibly be applicable here, which was an
12 employment practices policy. The D&O policy would not be
13 something that would cover --

14 THE COURT: Well, has he requested the D&O policy?

15 MR. GROGAN: I think he did, but actually --

16 THE COURT: Well, why didn't you give it to him?

17 MR. GROGAN: And I think we might have. I think
18 early in the case, though, maybe it was on a professionalized
19 basis only, but I think I actually gave him the D&O policy.

20 THE COURT: Well, I want to be sure that if he's
21 requested a policy, that he gets the policy.

22 MR. GROGAN: I understand. We -- but I think he's in
23 possession of the employment practices policy, which is really
24 the --

25 THE COURT: But any policy he has requested he gets



1 to review to see if he thinks they're coverage. You don't get
2 to review it and then not give it to him. So did -- let's get
3 the list of what he's requested and either tell him they exist
4 and here they are or they don't exist. I mean, maybe he's
5 requested something that doesn't exist.

6 Mr. Klobucar, have you gotten the employment
7 practices --

8 MR. KLOBUCAR: Your Honor --

9 THE COURT: -- policy at this point?

10 MR. KLOBUCAR: I'm sorry, Your Honor. I didn't mean
11 to cause too much consternation, but we did request a number of
12 policies, and I will look those up for you right now so that I
13 have the list. I received a copy of an expired D&O policy that
14 was inapplicable, and then followed up with a request to the
15 debtors for EPL policies, excess policies, commercial policies,
16 theft policies, and other policies scheduled by the debtors as
17 being available. And I also asked for an updated D&O policy to
18 make sure that there weren't changes in the endorsements and
19 other things, as well as reservation of rights letters and
20 other indications as to whether coverage had been tendered and
21 whether there were defense costs obviously which pertained to
22 whether or not my process in Minnesota would, in fact, impinge
23 upon and interfere with this particular case.

24 I have not yet received a response to that request
25 and have not received either an updated D&O or the EPL policy



1 to which Mr. Grogan is now referring.

2 THE COURT: Roughly how long ago did you request
3 that? And I don't want an exact date. Was it more than a
4 month ago?

5 MR. KLOBUCAR: It was not, Your Honor. I believe
6 that my formal request for those other policies was about a
7 week ago. It may, in fact, have actually been on the 10th,
8 Your Honor.

9 THE COURT: Okay. When do you expect your plan to be
10 confirmed, Mr. Grogan?

11 MR. GROGAN: February 13, I think, is the date.

12 THE COURT: And how do you then expect this claim to
13 get liquidated?

14 MR. GROGAN: So, Your Honor, we filed an objection to
15 the claim at docket number 816. In our view, the majority of
16 the proof of claim damages, Mr. Klobucar's numbers have shifted
17 from the claim, but the claim was filed in the amount of
18 \$23 million, 14 million of which was the stock options or stock
19 awards which we referenced. We objected to those on the basis
20 of Section 510(b) that they're subordinated securities claims.
21 We also filed an objection seeking to enforce the 502(b)(7) cap
22 on damages by an employee arising from termination of
23 employment, and so that would -- I think that will -- that
24 simple claims process, which should be fairly expedited, would
25 resolve the vast majority of the amounts at issue.



1 THE COURT: This 502 or the subordination for
2 securities, purchase and sale of securities, if there's
3 insurance would it limit insurance?

4 MR. GROGAN: It would, I think. I -- you know, I may
5 be speaking out of turn, but I don't think the insurance
6 company is going to pay anything that's not owed.

7 THE COURT: Well, they're owed. They're simply not
8 allowed against the estate, and I don't know what that means
9 about insurance. Let's --

10 MR. GROGAN: I guess, you know, the other thing I
11 would add is we don't have the money to pay a Minnesota lawyer
12 to take on this matter right now. I mean, this is -- it's
13 going to harm the other creditors in the case, and there's
14 really no reason to give Mr. Shirole special treatment.

15 THE COURT: What I'd like to figure out is whether
16 there's insurance. I would like to schedule a hearing much
17 sooner than March on your objection to claim and set that
18 simultaneously with a continued hearing on the motion for
19 relief from the stay so that I can have a better understanding
20 of what's going on. Usually -- and I've never actually, to my
21 memory, had to confront this, if there's a limit within the
22 bankruptcy code, it doesn't limit an insurer's obligation to
23 pay the state law claim. And -- but it may under these, and so
24 I -- but I don't know. I don't want to guess about that and I
25 don't know it sitting right here. And I assume that



1 Mr. Klobucar may have arguments -- I don't need to hear them
2 right now -- that the one-year limitation under 502(b) wouldn't
3 apply to your client or whatever.

4 What do you-all think if I give you a date in roughly
5 30 days from now to come back either on a status for an
6 evidentiary hearing on the objection to claim and the motion
7 for relief from the stay once people can research these issues
8 again?

9 Or, Mr. Klobucar, if you want to proceed today, I'm
10 going to let you proceed today. You've waited a while for the
11 hearing. But I'm telling you where I am sort of coming out
12 that I think I need information I'm probably not going to end
13 up getting at today's hearing. Tell me what you'd like to do.

14 MR. KLOBUCAR: Your Honor, thank you, and I
15 appreciate the Court's thoughts in this regard. First of all,
16 you know, I just want to note on the record that the thing
17 that -- you know, my client, who I think is a victim of not only
18 "discriminatory" conduct on the basis of race, but also what
19 results really in a conversion that he be obtaining
20 preferential treatment by moving forward here is no less than
21 kind of adding insult to injury here, so I want to put that on
22 the record.

23 But let me tell you, Judge, first of all, I think
24 under the claims dispute process, if I want to temporarily vote
25 my claim, I need to file an emergency motion right now, which I



1 plan to do this week, and seek a hearing with you, Your Honor,
2 that will finally resolve whether I can temporarily vote my
3 claim for or against the plan by next Friday. And now I'm not
4 going to probably obtain enough discovery to fully prove and
5 demonstrate my claims and take enough testimony to demonstrate
6 the extent of those claims by next Friday, but I certainly
7 would be amenable to any process the Court's suggests in that
8 respect, including treating this as a contested motion under
9 9014 so that the adversary discovery rules apply.

10 In addition, with respect to the claim objection
11 itself, which I think is separate from the temporary voting
12 issue, we would -- we will plan on responding within the
13 necessary 30 days to that claim objection because we do believe
14 if these commissions were owed as of the date of termination,
15 which they were, they fall outside of that 502(b)(7) cap, and
16 the debtors know that. The debtors could have objected to our
17 claim in a de minimis amount, especially because they know what
18 the limitations could be, having all the data and obviously not
19 having provided it to us yet.

20 But we also have similar discovery requests we've
21 already made, but we would need to have all the information
22 we've requested prior to the time we come in for any
23 evidentiary hearing. So I would think the claim objection
24 process could be done on an evidentiary basis within 45 days to
25 60 days from now, Your Honor.



1 THE COURT: Well, let's back up, because you've
2 raised the estimation question. That sounds important to get
3 that done before his confirmation hearing, frankly more
4 important maybe than the other issues. Did we already reserve
5 time for that, or do I need to do that now in terms of claimed
6 estimation?

7 MR. GROGAN: I don't think we have a specific date
8 for estimation hearings. Yeah, this is --

9 THE COURT: You said your confirmation is on --

10 MR. GROGAN: -- the first time that's come up.

11 THE COURT: Yeah. You said your confirmation's
12 February 13th.

13 MR. GROGAN: I think it's -- let me grab me --

14 MR. KLOBUCAR: 15th, Your Honor.

15 THE COURT: 15th?

16 MR. KLOBUCAR: February 15th, Your Honor, is the
17 confirmation. I'm almost positive it's 1:30 on the 15th,
18 Your Honor.

19 THE COURT: Okay. I'm looking right now.

20 MS. THOMAS: 16th.

21 MR. GROGAN: 16th.

22 MS. THOMAS: Yes.

23 MR. KLOBUCAR: But I think the voting procedures
24 order indicates that prior -- three days prior to the date by
25 which my vote would be tendered, which is February 1st, that I



1 need a final resolution event to have occurred, which I assume,
2 Your Honor, includes you determining whether or not my claim
3 can be temporarily allowed for voting purposes. So I think
4 that's the 27th, on that Friday, ten days from now would be the
5 best I can do in that respect. And I have not yet reserved a
6 date for that, nor have I filed my emergency motion yet, but I
7 do plan to do so, Your Honor.

8 THE COURT: It seems to me that I could allow you to
9 go ahead and vote subject to the outcome of the hearing that
10 you're talking about right now, and try and give you-all enough
11 time to work through these matters.

12 I think confirmation's on the 16th.

13 MR. GROGAN: Yes. That's correct.

14 MR. KLOBUCAR: That's correct, Your Honor.

15 MR. GROGAN: Apologies for the mistake earlier.

16 MR. KLOBUCAR: Your Honor, if I might clarify too,
17 and I apologize. If I might clarify, I appreciate that I would
18 be allowed to vote, but I think the question of the amount of
19 the vote is important. I'm not sure how to establish that
20 other than by estimation on the 27th.

21 THE COURT: No. What I'm saying is go ahead and vote
22 your whole -- I'm going to -- I can issue an order today that
23 lets you vote your whole claim, notwithstanding the procedures,
24 but the count -- the amount that would be tabulated would be an
25 amount of our estimate that would occur at a subsequent date.



1 I think that would fully protect you.

2 MR. KLOBUCAR: Understood, Your Honor.

3 THE COURT: So I've got time a week before the
4 confirmation hearing, which ought to allow you time to absorb
5 the effect of the estimation. So I could do an evidentiary
6 hearing on February 9th on the estimation and set a status
7 conference on the claim objection for a hearing on that.

8 MR. GROGAN: And what time would it be on the 9th?

9 MR. KLOBUCAR: That would work fine for me,
10 Your Honor. I'm sorry.

11 THE COURT: All right. Why don't we start at
12 nine o'clock? Does that -- I've got plenty of time that day,
13 so --

14 MS. GOING: Okay.

15 MR. GROGAN: Yes. That works for me.

16 THE COURT: Okay. A virtual hearing is fine.
17 Mr. Klobucar, you're welcome to come down here whenever you
18 want.

19 MR. KLOBUCAR: Well, I do like a good plane ride,
20 Your Honor, so I may well do that. You said 9 a.m. on
21 Thursday, the 9th, Your Honor?

22 THE COURT: Correct. That would be the hearing, and
23 you can self-calendar it on your estimation motion. Let me see
24 if I can craft something as an oral entry both sides can agree
25 to, which is that notwithstanding any other procedures adopted



1 for a claim to which an objection has been lodged,
2 Mr. Klobucar's client may vote by the voting deadline his
3 entire claim, but for tabulation purposes, the amount of the
4 claim that will be counted will be the amount that we estimate
5 at the February 9th hearing. Any objection to that by either
6 party as a docket entry that will control this?

7 MR. GROGAN: No, Your Honor.

8 MR. KLOBUCAR: Your Honor, this is Mr. Klobucar.
9 First, I would like to point out to the Court something that's
10 a little strange, and I want to make sure Mr. Grogan and I
11 address this so that it's fairly before the Court. I have no
12 problem with the language. My client did file two claims
13 because his claims are joint and several against two of the
14 debtor entities, and because the plan does not include a
15 substantive consolidation aspect, to my knowledge, I wanted to
16 make sure the claims were both filed. I don't intend of the
17 claims to be duplicative, and Mr. Grogan has objected on that
18 basis. We are only claiming right now one claim currently in
19 the amount of 22 million, which will likely be amended to be
20 more in the area of 35 million. But I want to make sure for
21 the Court -- or ask the Court if I should be voting as to both
22 claims, or whether they can somehow be consolidated by -- and
23 maybe I can stipulate with Mr. Grogan in that regard.

24 THE COURT: Yeah. Look, why don't you vote both for
25 now and we'll figure this out on the 9th when we figure what we



1 got. Will that work?

2 MR. KLOBUCAR: That sounds fine, Your Honor. That
3 makes sense.

4 THE COURT: Okay. Witness and exhibit lists for the
5 estimation hearing are governed by the local rules. I'm going
6 to require them to be timely filed. You might look,
7 Mr. Klobucar, but I believe that will be three days before the
8 hearing. But it's in the local rules, so you'll be able to see
9 it there.

10 Witnesses may appear virtually or in person. Lawyers
11 may appear virtually and in person -- or in person, and they
12 don't need to be together under the procedure that we're going
13 to file for the estimation proceeding.

14 At the estimation proceeding on the 9th, we'll have a
15 status conference on the objection to claim that was filed to
16 try and get that scheduled, and a status conference on the
17 motion for relief to try and figure out when we'll have a final
18 hearing on that as well, except I told Mr. Klobucar he could
19 proceed today if he wants to, and I don't think he's responded
20 yet to that.

21 If you want to proceed on your motion for relief
22 today I'll let you, but I think it's prudent to wait. But I
23 don't want to get in the way of a hearing that you've been
24 promised.

25 MR. KLOBUCAR: Your Honor, I will exercise my



1 discretion to adopt your suggestion to the prudent thing and
2 follow your lead, so that's fine, Your Honor.

3 THE COURT: I appreciate that.

4 What else do we need to do then on this particular
5 claim?

6 MR. GROGAN: I don't have anything else on it.

7 THE COURT: All right. Is Klobucar and Klobuchar the
8 same --

9 MR. KLOBUCAR: I don't either, Your Honor. Thank
10 you.

11 THE COURT: Is that the way that she spells her name,
12 or does she spell it differently?

13 MR. KLOBUCAR: Well, Your Honor, so the name itself
14 is a Serbo-Croatian name that's pronounced Klobuchar and
15 spelled like mine, and I've discussed it with her a number of
16 times, but apparently she's unwilling to change her brand in
17 favor of mine.

18 THE COURT: Oh, so she does spell it differently. I
19 thought it was a different spelling, so I wasn't sure.

20 MR. KLOBUCAR: Yeah, she has an H, Your Honor,
21 C-H-A-R. I do not, so --

22 THE COURT: Got it. Okay.

23 Well, we will see you one way or the other in a month
24 or so. Thank you. Thank you for dialing in.

25 MR. KLOBUCAR: Thank you, Your Honor.



1 THE COURT: And now we're going to move to the second
2 part of today's hearing, which is to rename the debtors.

3 MR. GROGAN: Thank you, Your Honor. Ms. Thomas will
4 take it from here.

5 THE COURT: Thank you.

6 Ms. Thomas, good morning.

7 MS. THOMAS: Your Honor, Schlea Thomas from Paul
8 Hastings for the debtors.

9 The next matter on the agenda today is an emergency
10 motion we filed on January 6th seeking entry of an order
11 authorizing the debtors to take any and all corporate actions
12 necessary to change their corporate names, and pursuant to the
13 debtors' business judgment, and ordering the continued joint
14 administration of the debtors' Chapter 11 cases under an
15 updated case caption. The motion was filed at
16 docket number 784, and a proposed order was attached as
17 Exhibit A. An affidavit of service for the motion can be found
18 at docket number 800. And the debtors seek this relief
19 pursuant to a sale of assets to Foundry Digital LLC.

20 On November 19, 2022, the debtors entered into an
21 asset purchase agreement with Foundry. On November 22nd, the
22 Court entered an order at docket number 531 approving the
23 Foundry APA and the Foundry sale. The Foundry sale then closed
24 on December 12, 2022, and Section 6.8 of the Foundry APA
25 requires the debtors to change their current corporate names



1 and to cause the names in the caption of these Chapter 11 cases
2 to be changed to the new names of each debtor promptly after
3 December 31, 2022.

4 Accordingly, the debtors have filed or are in the
5 process of filing the necessary paperwork with the secretaries
6 of state in the debtors' respective states of incorporation to
7 accomplish the required name changes from a corporate
8 perspective. The changes to each of the debtors' respective
9 corporate names is listed on a chart in the motion.

10 Once the names have changed under corporate law, we
11 intend to file a notice with this Court to amend the case
12 caption accordingly. No objections to this relief have been
13 filed. The debtors respectfully submit that the relief
14 requested is necessary and appropriate as the debtors have
15 substantially sold -- sold substantially all of their assets
16 and have agreed, pursuant to the Foundry APA, to change their
17 current corporate names.

18 THE COURT: So I really didn't have much problem with
19 what you wanted to do, with one exception that may not be a
20 problem at all for you. I'll take the first one. Compute
21 North Holdings, Inc. you want to change to Mining Project Wind
22 Down Holdings Inc.

23 MS. THOMAS: Yes, sir.

24 THE COURT: On the Court's caption, do you have any
25 problem if the name is Mining Project Wind Down Holdings Inc.,



1 and then it says (f/k/a Compute North Holdings, Inc.) so that
2 we can still link what's already occurred without having to
3 constantly reference a table? So the caption would be what you
4 want, but there would be a reference to the formerly known as.

5 MR. GROGAN: Your Honor, if I can interject, I think
6 Foundry would take issue with that. They -- the terms of our
7 deal with them were that we would stop using Compute North or
8 CN or any historic references to the current names.

9 THE COURT: How are we going to keep track of things?
10 I mean, it's -- I really am worried about just me getting
11 confused, much less a litigant that walks in and all these
12 things have basically the same first four words, and then the
13 later words don't make any logical reference back to the
14 original name.

15 MR. GROGAN: Your Honor, obviously, I mean, you're
16 the judge. I -- you know, I think if you --

17 THE COURT: I've never done --

18 MR. GROGAN: -- want to order --

19 THE COURT: I may be the judge, but I've never done
20 this before.

21 MR. GROGAN: I'm just telling you that, you know, if
22 you do it, I think, you know, you can do what you want.
23 I -- the terms of the APA, though, were that we would stop
24 referring any -- in the -- we would stop mentioning Compute
25 North in the case.



1 THE COURT: So I'm happy if you stop mentioning it.

2 MR. GROGAN: Yeah.

3 THE COURT: You can stop mentioning it today if you
4 want to. But, for example, here is -- and hopefully Foundry's
5 on the phone and they're going to pitch in if this is causing
6 them a problem. Because I understand why Foundry would want it
7 changed. So what I'm thinking of is maybe right after where it
8 says, "Eden Prairie, Minnesota 55344," we'll insert another
9 line and it can say, "This debtor was originally filed under
10 the name of Computer North Holdings, Inc." So it's not part of
11 the name, but it's a reference so they know what we're doing.

12 MR. GROGAN: And -- fair enough. And, you know,
13 obviously there are a lot of pleadings on the docket already,
14 almost a thousand that, you know, we're not going to go
15 retroactively change, but --

16 THE COURT: Right. Is there anybody from Foundry on
17 the phone? If so, would you please press five star?

18 So look, I don't want to get in the middle of the
19 benefit of the bargain that you might have made. What I'm
20 going to do is tentatively ask that you upload a revised form
21 of order that does what I just described. If Foundry thinks
22 that's a breach of the deal, let's come back and revisit what
23 we can do with them on the phone.

24 MR. GROGAN: Okay.

25 THE COURT: So upload an order that does it the way



1 I'm suggesting. No one is objecting. If we're getting in
2 Foundry's face, which is not my goal, let's come back in for
3 another hearing. I'll get you in pretty quickly. Does that
4 work for you?

5 MR. GROGAN: Absolutely.

6 THE COURT: Okay. Get me an order uploaded and we'll
7 deal with it and/or request (indiscernible) another hearing
8 after you talk to Foundry, okay?

9 What else do we need to do today?

10 MR. GROGAN: That's all, Your Honor. Thank you so
11 much.

12 THE COURT: Thank you.

13 MS. GOING: Thank you.

14 THE COURT: We'll see you in about a month.

15 All right. We are in recess.

16 (Proceedings concluded 12:00 p.m.)

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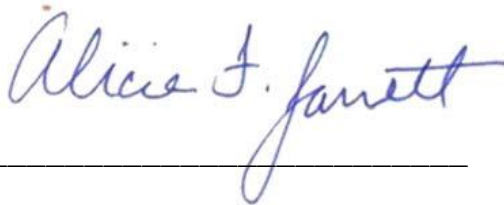
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C E R T I F I C A T I O N

I, Alicia Jarrett, court-approved transcriber, hereby
certify that the foregoing is a correct transcript from the
official electronic sound recording of the proceedings in the
above-entitled matter.



ALICIA JARRETT, AAERT NO. 428

DATE: February 15, 2023

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